



Call from Chairman Mahon, 1045, 18 October:

*Re 73-1819*

Chairman Mahan said he was calling about a problem he has as to how to handle the Defense Subcommittee (?) members who are asking what CIA's budget is and how they are meddling in domestic affairs. He said he didn't have the time to go into it "big time" but asked for Mr. Colby's ideas as to how to handle them.

Mr. Colby suggested that he could go talk to them and give them a presentation as to just what we are doing. Another alternative would be to take the chart he had used the other day and show them the figures on a classified basis.

The Chairman asked what the law says about secrecy and Mr. Colby quoted the 1949 CIA Act, Section 6 and Section 8B. The Chairman asked if he would violate any law; Mr. Colby said the only law would be the Espionage Act which wouldn't apply in this case. Beyond the above mentioned we have been dealing in precedent and a common understanding which has been worked out. Mr. Colby said that both from a strict constitutional sense and from a policy sense we have to rely on Congress to be as effective security-wise as anybody else. He said he was not familiar with the membership of the subcommittee on Defense Appropriations; it might be that the totals on the chart could be revealed to them with the understanding that they not reveal the figures further.

Mr. Colby explained the practice in the Senate, ie. <sup>the</sup> regular subcommittee of the Appropriations Committee. The Chairman asked if CIA did that with Nedzi. Mr. Colby explained that we did-- but that his is a formal committee.

The Chairman said what he needed was an answer to this: What do I say when they: Is the CIA dabbling in domestic stuff that is outside their scope of legal authority? Mr. Colby suggested he could mention that Mr. Nedzi has conducted a very serious review of this and is about to issue a formal report. He said that he had appeared before the committee; that CIA had admitted publicly to two mistakes--the psychiatric study of ~~the~~ Ellsberg and giving the equipment to Howard Hunt.

In addition to the Nedzi report, Mr. Colby suggested that the Chairman could suggest restructuring for next year. Also the Chairman could have the gentlemen who were with him the other day

meet with the Defense subcommittee; could have the figures there to show them; the Chairman could suggest a discussion and the committee could perhaps make a decision as to how to handle next year.

The Chairman asked if the number of employees and the budget of CIA has been made public recently. Mr. Colby said an ex-employee had come close and that there had been various other leaks but there is no authorized release of these figures.

Chairman Mahon thanked Mr. Colby and hoped he would not have to take Mr. Colby's time to appear.